Stephen P. Clark Government Center
111 N.W. 1st Street
Miami, Fl. 33128

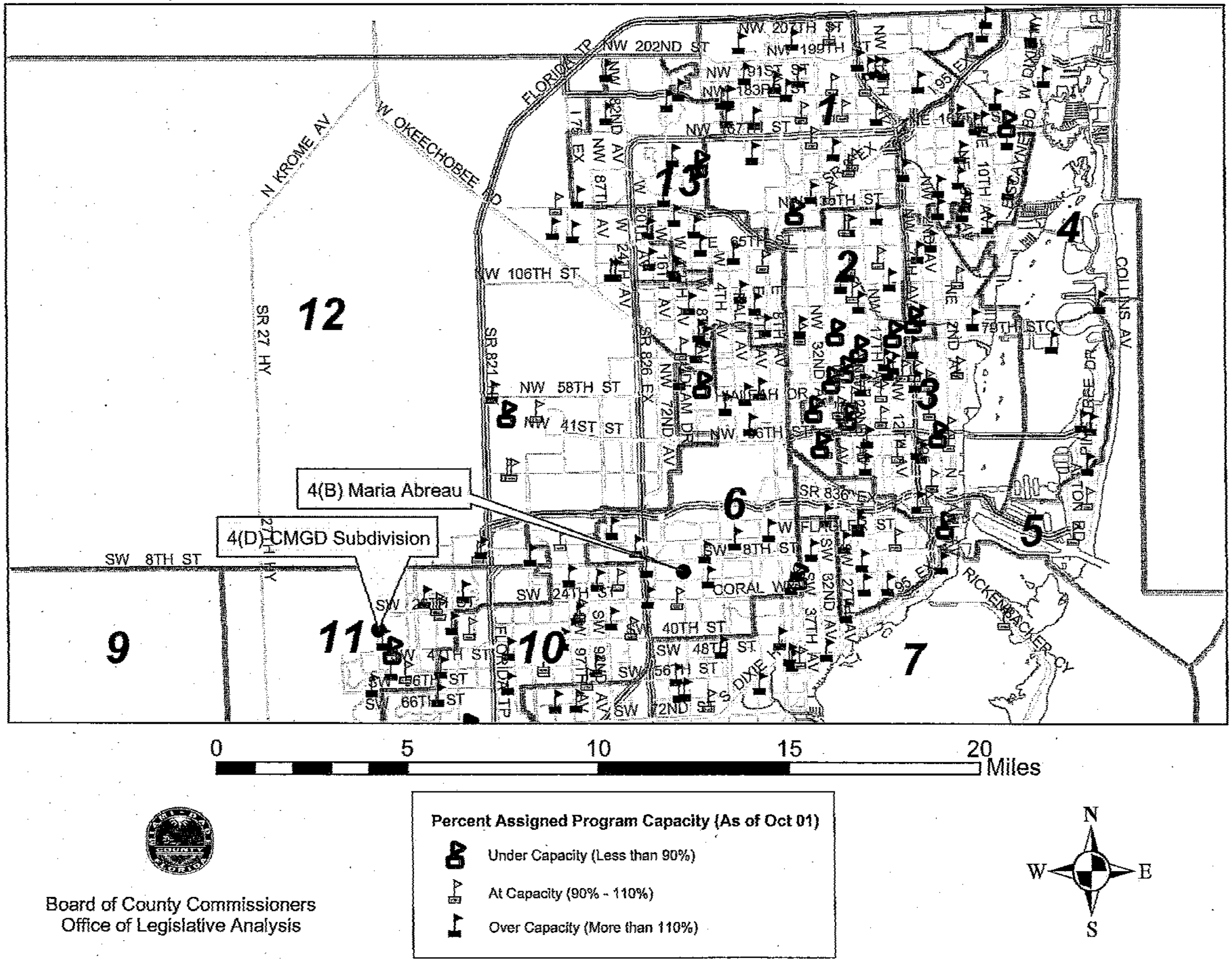
Miami Dade County

LEGISLATIVE ANALYSIS

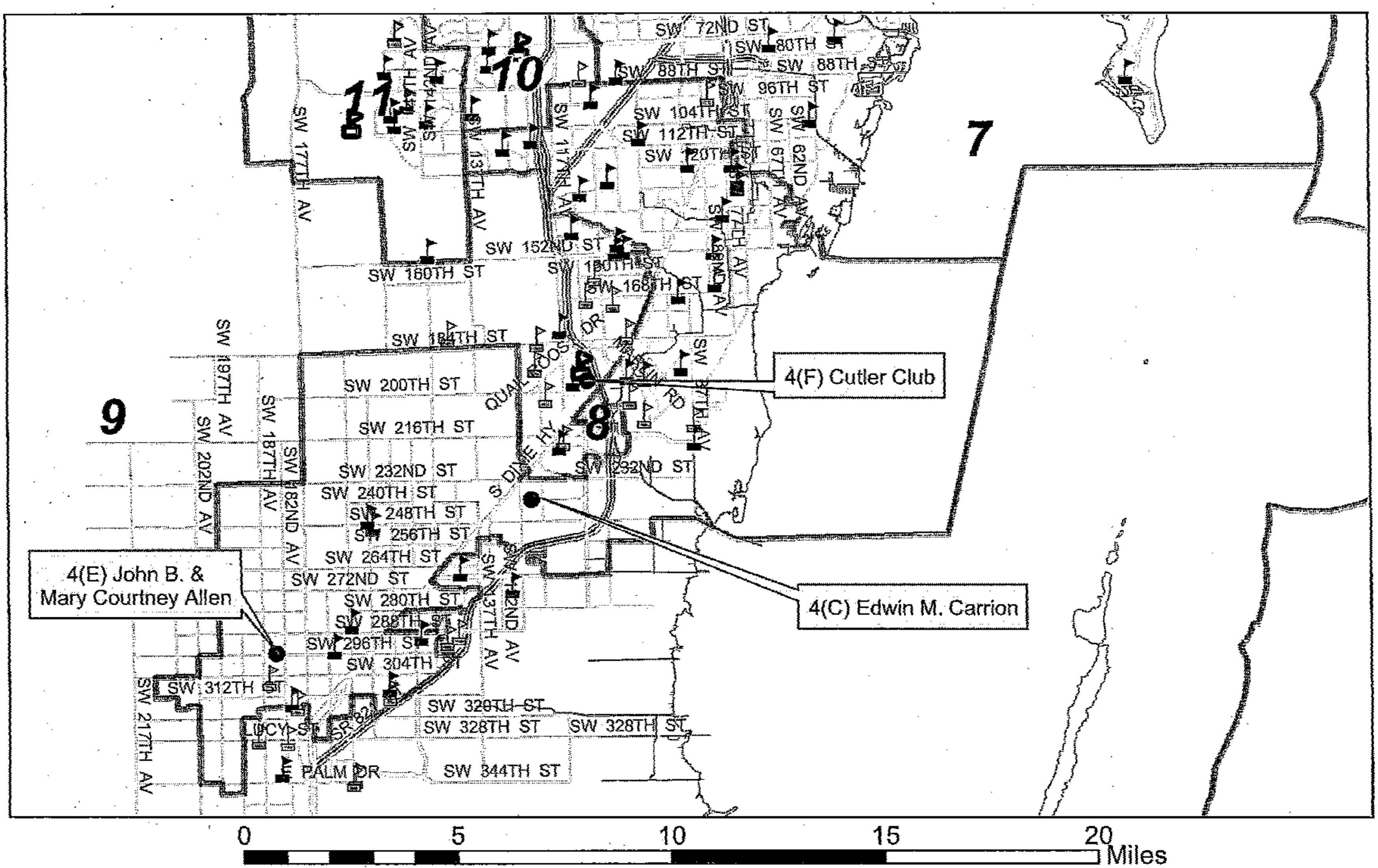
Tuesday, April 27th, 2004
9:30 AM
Commission Chambers

Board of County Commissioners

Plats for BCC Approval April 27, 2004
(Miami-Dade County--North of Sunset Drive)



Plats for BCC Approval April 27, 2004
(Miami-Dade County--South of Sunset Drive)



Percent Assigned Program Capacity (As of Oct 01)

- Under Capacity (Less than 90%)
- At Capacity (90% - 110%)
- Over Capacity (More than 110%)

Board of County Commissioners
Office of Legislative Analysis

BCC ITEM 7(A)(1)(A)
April 27, 2004

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

RESOLUTION AWARDING FUEL FACILITIES MANAGEMENT AGREEMENT AT MIAMI INTERNATIONAL AIRPORT, RFP NO. MDAD 05-03 TO ALLIED AVIATION HOLDINGS CORPORATION; AUTHORIZING COUNTY MANAGER TO EXECUTE AGREEMENT AND TERMINATION OR CANCELLATION PROVISIONS CONTAINED THEREIN; WAIVING REQUIREMENTS OF RESOLUTION NO. R-377-04; WAIVING BID PROTEST PROCEDURES.

Aviation Department

I. SUMMARY

This is a proposal to award a contract to Allied Aviation Holdings Corp. (Allied) to manage Miami International Airport (MIA) aviation fueling facilities for a period of seven (7) years with three one-year options to renew.

Payment to Allied would be for documented reimbursable expenses as pre-approved by Miami-Dade County Aviation Department (MDAD) plus a $28,000 per year management fee that is subject to an annual CPI adjustment. Total payments to Allied (reimbursable costs + management fees) are estimated to be $107,901,143 over the life of the seven year contract (approx. $15.4 million per year.)

Reimbursable expenses include *"all approved direct costs of operation, including but not limited to, material costs, payroll and related expenses, variable and fixed expenses, utilities, bonds and insurance, audits, capital operating equipment, maintenance and such other operating expenses approved by the Department or described in the approved Annual Operating Budget"* (Article 5.01, handwritten p. 66).

A separate provision in the contract requires that Allied's General Manager for this contract must be hired at Allied's *"sole cost and expense"* (Article 7.01, handwritten p. 72), must be dedicated to this project, and be or become a Miami-Dade County resident.

Checks and balances in the contract require MDAD pre-approval for reimbursable expenses (both annual budget and any changes) and incorporate internal controls recommended in a recent audit report of the previous contractor by the Miami-Dade County Audit and Management Services Department.

Allied must comply with the Miami-Dade County Living Wage Ordinance for its employees under this contract.

II. PRESENT SITUATION

The contract with the present contractor, Aircraft Service International Group, Inc. (ASIG), expires June 30, 2004. ASIG did not bid for the new contract.

III. POLICY CHANGE AND IMPLICATION

The short time remaining before the present contract expires makes this item time sensitive.

IV. ECONOMIC IMPACT

Payment to Allied would be for documented reimbursable expenses as pre-approved by Miami-Dade County Aviation Department (MDAD) plus a $28,000 per month management fee that may be adjusted for annual CPI.

- Allied's General Manager for this project must be hired at Allied's *"sole cost and expense"* (Article 7.01, handwritten p. 72).
- ***Allied's management fee*** [$28,000 per month/$336,000 per year/$2,352,000 over the life of the contract] ***provides an approximate 2.2% margin above the estimated cost of reimbursable expenses.***

Total payments to Allied (reimbursable costs + management fees) are estimated to be $107,901,143 over the life of the seven year contract (approx. $15.4 million per year.)

BBE Subcontractor Goal: 2.10%

V. COMMENTS AND QUESTIONS

The Port Authority of NY & NJ provided a letter for Allied's offer indicating that Allied *"under contract with the Port Authority of NY & NJ for over 30 years, has been operating the Fuel Storage and Distribution Systems and providing into-plane fueling services at both JFK International Airport (JFK) and Newark Liberty International Airport (EWR)....Allied has also been a very active supporter and contributor to the M/W/SBE business community"* (handwritten p. 219).

Given this contract's 2.2% margin above reimbursable expenses [minus the cost of the General Manager that must be at Allied's sole cost & expense, it would not be unreasonable to assume that Allied may be seeing this as an opportunity to get a foothold in the local aviation market.

In addition to providing fueling services at numerous other airports, firms using the names that Allied's offer indicates that Allied has, or principals of the firm have, ever done business under have been involved in a broad range of other airport functions: (See list of firms on handwritten p. 198)

- Examples of other services include: skycap services (Allied Aviation Service, Seattle), passenger security check stations (Allied Aviation Service, Los Angeles), deicing (Allied Aviation Service, Gander, Newfoundland).
- A few instances of difficulties by firms that Allied listed on handwritten p. 198 were found in a "NewsBank" search of nationwide newspapers. *[<u>Note: This information is from newspaper reports, and the newspaper reports did not indicated the final</u>*

outcome of cases. Additionally, the exact nature of the firms' connections to Allied Aviation Holding Corp. was not elaborated on in the list that Alliedprovided on handwritten p. 198.]

- Lawsuit claiming fuel contamination caused a crash of a Cessna fueled by Nayak Aviation (Attachment # 1: San Antonio Expresss-News, 2/17/94, p. 7B);
- Lawsuit by Denver for cleanup of ground contamination caused by an 800,000 gal. fuel leak by Allied Aviation Services (Attachment #2: The Denver Post, 11/23/89);
- Security breach by an Allied Aviation Services' subcontractor at Los Angeles International reportedly let a gun be smuggled onboard PSA Flight 1771, leading to the flight's crash with loss of 43 lives after the pilots were shot (Attachment #3: Los Angeles Times, 12/17/87, pp. 1-3); and
- Licensure/nonpayment of aviation fuel taxes questions about Allied Aviation Services of Pennsylvania following an audit (Attachment #4: The Philadelphia Inquirer, 5/9/83, p. A01).

San Antonio Express-News

February 17, 1994
Page: 7B

Pilot's widow sues 2 aviation firms
Author: Scott Huddleston; Express-News Staff Writer

Article Text:

Seeks unspecified compensation for plane crash at San Antonio airport

The widow of a pilot whose airplane ambulance crashed in San Antonio last week has filed a wrongful-death lawsuit in a Maverick County court against an aviation firm and the plane's manufacturer.

A lawsuit filed Wednesday morning alleges that officials of San Antonio-based **Nayak Aviation** Corp. and Cessna Aircraft Co. had known of problems with refueling the Cessna 421 prop-driven craft when jet fuel was put into its tank, making the plane a "flying bomb."

Federal investigators determined that a compound composed at least 50 percent of jet fuel, inappropriate for use in the plane's engine, caused the Feb. 10 crash that killed pilot Brett Alan Mertens, 29, and nurse Barry Allen Lawrence, 37, and seriously injured nurse William Smith.

The plane owned by Critical Air Medicine crashed just after takeoff from San Antonio International Airport.

The lawsuit was filed on behalf of Lorena B. Mertens, the pilot's widow, by attorneys Pat Maloney Sr. of San Antonio and Cynthia Muniz-Berain of Eagle Pass in District Court in Eagle Pass, where Mertens lives.

The lawsuit seeks payment of funeral bills, along with unspecified compensation for Lorena Mertens' mental anguish and loss of companionship and financial support. It also seeks unspecified punitive damages against Nayak and Cessna, which is based in Wichita, Kan.

The suit alleges that Nayak employees violated the Deceptive Trade Practices Act by telling the pilot the plane had been properly refueled.

"The fuel was not suitable for allowing the aircraft to fly, and was, in fact, capable of making the aircraft a flying bomb," the lawsuit claims.

It blames Cessna for not warning Nayak about refueling problems, and for not including in its design of the craft "a fail-safe device that would prevent introduction of jet fuel."

Robert Scurfield, in-house counsel for Cessna, said his firm had nothing to do with the refueling which caused the crash.

Cessna, in support of industry standards adopted by the General Aviation Manufacturers Association, designs its planes to accept the appropriate types of fuel nozzles to prevent problems, Scurfield said.

"The fueler (truck owned by Nayak) was supposed to have a different type of nozzle," he said. "It sounds like someone put in the wrong fuel. We don't have any liability."

Nayak officials were not available for comment Wednesday.

Investigators with the National Transportation Safety Board have said the plane had been modified to accept nozzles designated for 100-octane aviation gasoline.

The lawsuit alleges that Nayak and Cessna had known of "many previous instances of misfueling of aircraft that has caused many of them to crash," and that Cessna "had notice of instances wherein jet fuel had been placed in Cessna aircraft."lawsuits crashes airplane

The Denver Post

November 23, 1989

2 jet-fueling firms sued over costs of cleanup
Author: Jennifer GavinDENVER POST

Article Text:

Denver sued two jet-fueling firms at Stapleton airport yesterday, seeking payment for cleanup of underground fuel contamination north of Concourse D.

The firms are subsidiaries of Ogden Allied Services, the same New York-based corporation that last week announced it will take over food and drink concessions at McNichols Sports Arena from ARA Leisure Services.

The Denver District Court lawsuit alleges that Ogden **Allied Aviation Service** Co. of Colorado and its subsidiary, Denver Fuel Facilities Corp., were negligent in building, installing, operating and maintaining the fueling system, resulting in a leak of an estimated 800,000 gallons of jet fuel.

The lawsuit also alleges breach of the firms' contract with the city, which dates to 1972.

Officials of the two firms could not be reached for comment.

Lee Marable, an assistant city attorney, estimated the cost of cleanup at more than $2 million, noting that slightly more than $1 million already has been spent. He said the city

investigated the leak for more than a year before filing the suit.

The leak was discovered when the city was preparing a retention pond for aircraft de-icing compound.

Marable said the $2 million cost estimate doesn't include attorney's fees and $35,000 in fines the city has paid the state for violation of a Colorado pollution law.

Marable said yesterday's suit and the alleged pollution it addresses are not connected with a separate fuel spill near Stapleton Concourse B. United Airlines sued its fuel-pipeline subcontractor over that spill last spring, Marable said. That suit still is pending.

Los Angeles Times

December 17, 1987
Edition: Home Edition
Section: Main News
Page: 1-3

Airport Security: Low Pay and High Turnover May Be the Weak Link
Author: BOB BAKER; Times Staff Writer Metro Desk

Article Text:

The people who staff the pre-boarding metal detectors and X-ray machines at airports have a tough, tedious job trying to make sure that weapons aren't smuggled onto an airplane.

They must withstand the noise and conversation of harried passengers and concentrate for 30-minute stretches on a black-and-white monitor that is filled with odd-looking, ever-changing images that reveal the contents of each bag. They must have the nerve to stop a long line of passengers and open a suitcase if they see anything that hints at being a knife, a gun or a bomb. They also must check the badge of each airline employee who wishes to avoid going through the detection process.

High Tension, Low Pay

For all this, security screeners at Los Angeles International Airport--most of them women in their early 20s--are paid only about $140 a week. As is the case in most minimum-wage jobs, many don't stay long. They often leave after less than a year, forcing security companies to operate in an atmosphere of constant turnover and training.

This may explain why Federal Aviation Administration tests at LAX during a four-month period in late 1986 found that 28% of all mock weapons smuggled across pre-boarding security checkpoints were not detected. That performance was significantly worse than the national error rate of 20%.

"I have flown enough and seen the attitude of those people toward their jobs--ranging from being practically asleep to being hostile to looking at their watches ready to get off--and I would act that way too if I was paid that way," said Jim O'Toole, editor of New Management magazine, published by the USC graduate school of business. "You tell people by the way they're treated and paid that the job isn't important and they'll act like the job isn't important."

"There may be a lack of desire, there may be a lack of ability" among some employees, admitted an official of one of the five security companies hired by the airlines at LAX to run the pre-boarding security systems. "The X-ray equipment itself is good."

To attract more conscientious applicants, "we'd probably have to start at $6 an hour," nearly twice the current wage, an official of another of the security companies said.

The effectiveness of the screening process has been in the spotlight since David A. Burke, a former USAir employee, smuggled a .44-caliber magnum onto PSA Flight 1771 at LAX on Dec. 7 and apparently shot the man who had recently fired him, Ray Thomson, a passenger on the flight. FBI agents believe Burke then shot the plane's two pilots, causing a crash that killed all 43 people on board.

Had Another Badge

Burke had surrendered his USAir badge, which gave him authority to bypass the pre-boarding screening area at LAX, after he was fired. However, according to sources familiar with the incident, he had another USAir badge and when he displayed it on Dec. 7 he was waved around the metal detector by an employee of **Allied Aviation Service**, which services Terminal One.

Such bypassing is permitted under FAA rules. But what the FAA rules do not take into account, according to interviews with many airline employees, is that numerous employees have more than one badge and that some security personnel have not been meticulous about checking for badges if the airline employee who wanted to bypass the metal detector is a familiar face.

Last week a local television newsman reported that he had gained access to a security area at LAX by using the identification card of an airport food service company employee who had left his job last year but had held onto his keys and I.D. badge. No one questioned his presence, he reported.

Fears have also been raised about the relative ease of reaching the Tarmac through other paths in the airport which are not known to passengers but are readily apparent to employees.

Circumvent Security

"Anyone who knows their way around the airport can circumvent security completely," one security company official said.

From visual observation at LAX in the wake of the crash of Flight 1771, it is clear that security personnel are taking a more rigorous view. At various terminals, some airline employees who want to bypass the metal detectors have expressed obvious surprise at requests to closely inspect their credentials.

"I'm telling them that even if the line backs down to the (airport entrance) door, don't hesitate to stop and check a bag," one security company supervisor said. "The media makes us look like idiots but there are people here who care."

However, such vows of vigilance are not likely to satisfy critics, who are troubled by both the low weapon-detection rates and Burke's ability to bypass the security checkpoint.

Tougher Screening

On Wednesday the Los Angeles Board of Airport Commissioners passed a resolution asking the FAA to require everyone except uniformed law enforcement officers to be screened at the pre-boarding area.

With approximately 20,000 people employed by airlines at LAX, such a change would result in "delays like never before," said Dick Russell, a United Airlines captain and Los Angeles safety representative of the Air Line Pilots Assn. "If you can't trust employees, who can you trust?"

Pressure is also expected from Congress. Under discussion there are proposals to:

- Force airlines to add more security screening stations at each terminal to make the line of passengers shorter and reduce the pressure on security personnel to move too quickly.

"Part of the reason people get through with weapons is that rather than let passengers get too grouchy they don't check a bag when (the X-ray image raises enough concern that) they should," said Rep. Howard Nielson (R-Utah), a member of the House subcommittee on government activities and transportation.

- Publicize each airline's record on FAA security tests, much as the government has done since September in publicizing each airline's record of on-time flights. The FAA opposes this idea, saying it would invite terrorists to the most vulnerable airports. (The few statistics that have emerged for individual airports have come from sources other than the FAA.) The FAA will not even reveal a local breakdown of the 3,600 weapons seized and 1,500 arrests made at U.S. airports last year.

New Report Due Today

Updated statistics on FAA security tests are expected to be released today at a transportation subcommittee hearing. The numbers will be watched closely by the airlines, which under law are accountable for security at the terminals they service.

Another security company at LAX is in fact authorized by airline officials to pay $50 bonuses to personnel who catch mock weapons in luggage carried by FAA inspectors, as opposed to $25 for weapons seized from regular passengers.

In the office of a third company, the anxiety was reflected on a blackboard where someone had scrawled a warning about a new FAA test--"they hide an item in the bottom of the camera bag and it isn't caught by a hand search."

Pressure Not New

The pressure was there long before David Burke brought down Flight 1771. Sixteen months ago, a Department of Transportation airport safety task force recommended that airlines cut down the number of people allowed to bypass passenger screening and require stricter identity checks.

Last June the General Accounting Office, a congressional watchdog agency, released the FAA security test results showing that only 80% of more than 2,400 unloaded guns or fake bombs were detected during the pre-boarding screening at 28 major airports.

A month later, then-Transportation Secretary Elizabeth Dole told the FAA to order airlines to tighten procedures for screening passengers. A companion report by Dole's task force criticized airlines for their "interest in minimizing the costs of providing security" and said airlines should be required to actively participate in the training of security personnel, rather than simply overseeing the security companies they hire.

In October, the FAA began to fine airlines up to $1,000 for each failure to detect a mock weapon.

Test Data Questioned

A spokesman for the Air Transport Assn., which represents the airlines, said the airlines do not believe the FAA security test data is "comprehensive" enough to be completely accurate. Besides, he said, even an 80% detection rate "is a pretty strong deterrent" to anyone contemplating bringing a gun onto an airplane.

The spokesman scoffed at the suggestion that the performance of security personnel on FAA tests is related to their low pay. "Finances are only part of the equation," he said.

Airlines have pushed hard to cut labor costs in a highly competitive, deregulated market. Many have introduced "two-tier" wage systems in which salaries of new workers are drastically reduced during the first several years of employment. Contracting security firms, rather than using higher-paid airline employees, is another method of keeping costs down.

Article Bookmark(OpenURL Compliant):Airport Security: Low Pay and High Turnover May Be the Weak Link (Los Angeles Times, December 17, 1987)
http://docs.newsbank.com/openurl?ctx_ver=z39.88-2004&rft_id=info:sid/iw.newsbank.com:NewsBank:LATB&rft_val_format=info:ofi/fmt:kev:mtx:ctx&rft_dat=0EB429589191A3D2&svc_dat=InfoWeb:aggregated2&req_dat=0F156B08E1823F31

 Attachment #4

Philadelphia Inquirer, The (PA)

May 9, 1983
Edition: FINAL
Section: LOCAL
Page: A01

Index Terms:
PA AVIATION TAXATION ENERGY

PENNA. LOSING MILLIONS IN AVIATION-FUEL TAXES
Author: Walter F. Roche Jr., Inquirer Harrisburg Bureau

Dateline: HARRISBURG

Article Text:

The State of Pennsylvania has for years failed to collect millions of dollars in taxes for aviation fuel pumped at airports throughout the state, according to internal documents from the state Revenue Department.

State and municipal records show that at least $1.3 million in aviation- fuel taxes were not collected for fuel pumped at airports in Philadelphia and Pittsburgh in fiscal 1979-80. State auditors, who have not completed a review of all the tax data, estimate that as much as $63 million might have gone uncollected since 1956.

An Inquirer investigation into the state's handling of the 1-cent-a-gallon tax on jet fuel and other aviation-fuel taxes also shows that since 1977 top officials of the Pennsylvania Department of Revenue repeatedly ignored warnings from their own auditors that the department was not properly enforcing the law.

Only since January, when James Scheiner took over as revenue secretary, has the state begun trying to collect millions of dollars in aviation taxes that had never even been billed. None of that money has yet been collected.

Each year, the state does collect some aviation-fuel taxes. But state tax auditors have found that many companies pay no tax at all. One of those firms was **Allied Aviation Service** of Pennsylvania, the main fuel supplier at Philadelphia International Airport. It was an audit of that company last year that led to the $63 million estimate.

Sources in the Revenue Department say the state has been so lax in administering the aviation-fuel tax laws that until this year officials could not even agree in some cases on who was supposed to pay the taxes - the airlines, the jet-fuel service companies or the oil companies. As a result, in many instances, no one was asked to pay.

In some cases, representatives of the companies involved in the sale and distribution of fuel say they assume that other firms, and not their own, should pay the tax.

In fact, the situation has become so confused that one major air-cargo company, Federal Express, discovered only after a recent query that its fuel taxes had not been paid for nearly a year. A spokesman for Federal Express said the company wanted to pay the tax, and thought that it had, but that the state's complicated collection system allowed the tax to go unpaid, and no one
from the state contacted Federal Express.

The aviation-fuel-tax issue centers on who is required to be licensed under the state Fuel Use Tax Act and who is required to pay that tax. Until this year, the Revenue Department said the jet-fuel service companies that pump the fuel were not required to be licensed or to pay the tax. State officials accepted the arguments of fuel service companies that they were not liable
because they never actually owned the fuel.

The department had concluded instead that airlines receiving the fuel should be licensed and pay the tax. Thus some fuel service companies, including the largest, Allied, were never licensed or asked to pay taxes.

Revenue Department employees have argued for the past several years that such a system of tax collection was neither effective nor legally supportable. For one thing, records show, the state never bothered to license some airlines and thus never attempted to collect taxes from them either.

ONUS ON 'DEALER-USERS'

In spite of the Revenue Department's confusion, state law on the issue is clear: It requires "dealer-users" to collect aviation-fuel tax and defines that term as "any person who delivers or places fuels into the fuel supply tanks (of an aircraft)."

State Senate Appropriations Committee Chairman Richard Tilghman, a Montgomery County Republican, is critical of the Revenue Department's past method of aviation-tax collection. "I think they were totally wrong," he said in an interview.

Tilghman said the state's past approach to the jet-fuel tax law was comparable to a state collecting its tax on gasoline from every motorist rather than from gasoline dealers. "It just doesn't make sense for the state to run around to every airline," he said.

Revenue Secretary Scheiner said in a recent interview that shortly after he took office he asked his department's attorneys to review practices of collecting aviation-fuel tax. The attorneys, he said, concluded that the state had not been enforcing the law properly. Scheiner said he then ordered corrective steps to be taken.

Under his new policy, he said, aviation-fuel service companies will be licensed and will be responsible for collecting the taxes when the fuel is pumped into the aircraft.

SITUATION UNCHANGED

What Scheiner's attorneys concluded in their recent review was exactly what his department's auditors had been contending since 1977. But former Revenue Department officials chose not to change the situation.

Milt Lopus, who was revenue secretary when the auditors first raised their warnings, said in a recent interview that the matter never was brought to his attention.

Lopus' successor, Howard Cohen, who served from 1979 to 1980, said in an interview that he had thought the aviation-fuel tax was a matter his office should have looked into, but that he simply did not have time to do it.

Former Revenue Secretary Robert Bloom, who headed the agency from 1980 to 1982, said his office had "thoroughly investigated" the matter. He said he concluded that the aviation taxes "were being collected properly, and there just wasn't anything to it."

Bloom said he believed that one of the Revenue Department auditors "was just off his rocker and was trying to cause problems. He was wrong."

UNAWARE OF REVERSAL

The former revenue secretary said he was not aware that Scheiner had reversed the longstanding Revenue Department policy on aviation-tax collection. "That may be the more efficient way to do it," Bloom said, when informed of the new policy.
It was in 1977 when two state auditors first spotted something they found curious. Reviewing the records of one of the state's major jet-fuel service companies, Atlantic Aviation Service, they noted a sudden drop in gallonage distributed beginning sometime in 1974.

Eventually, they learned that another company, Allied Aviation Services of Pennsylvania, a subsidiary of a New York-based company, had won a new contract at Philadelphia International Airport to handle most of the jet-fuel distribution there.

They immediately questioned whether the 1-cent-a-gallon tax was being paid on fuel pumped by Allied and initiated an audit of that company's records. Allied officials at first refused to allow the auditors to review their records, contending that they were not required to be licensed under state law or to collect and remit the tax.

It was not until three years later that auditors got permission from Allied's director of taxation to review the company's books for a single test year, fiscal 1979-80. In agreeing to the audit, Allied officials said they were only doing so as a "gesture of cooperation," and they continued to insist that the company was not liable for the tax.

The audit showed that, indeed, Allied had paid no aviation taxes that year. The company contended that the airlines they served had that responsibility.

The auditors also learned Allied, which had had a similar contract to supply aviation fuel in Pittsburgh since 1955, was not even licensed under the state Fuel Use Tax Act.

Auditors found that Allied had dispensed 104.3 million gallons of jet fuel in Philadelphia to more than a dozen airlines in fiscal 1979-80.

Records from Philadelphia's City Aviation Division show that the total gallonage pumped at Philadelphia International Airport that fiscal year was even higher. In addition to the 104.3 million gallons distributed by Allied, 75.4 million gallons were distributed by other fuel suppliers at the airport.

Another state audit showed gallonage distributed by Allied at the Greater Pittsburgh Airport during fiscal 1979-80 was 167 million. Thus, a total of 346.7 million gallons was distributed at the two airports in fiscal 1979-80.

At the rate of 1 cent a gallon, that would mean state revenues from jet fuel delivered at the two airports should have been about $3.46 million. But state Revenue Department records show that the state collected only $2.2 million in aviation-fuel taxes from all sources during that fiscal period.

FIGURES UNAVAILABLE

The audit findings of fiscal 1979-80 do not include gallonage figures from several other commercial airports across the state, figures that were not obtainable and have not yet been checked by the state. Those other airports include Wilkes Barre-Scranton, Bethlehem-Easton and Harrisburg International.

Pennsylvania taxes fuel for jet aircraft at 1 cent a gallon, while fuel for conventional aircraft is taxed at 1.5 cents a gallon. Those tax rates were set in 1956 and have not been revised since. Most states tax fuel for conventional aircraft at a higher rate than Pennsylvania. But the state is in a minority in taxing jet fuel. Florida recently imposed a 5 percent tax on jet fuel, but that tax is being challenged in a court suit.

Interviews with officials of the various firms involved in the delivery and use of aviation fuel at Philadelphia International Airport brought out the classic "Catch-22" situation that exists with regard to Pennsylvania's aviation fuel tax.

The confusion was apparent in the case of Federal Express, a major air- cargo company operating at the airport. When first interviewed, William Stark, fuel director for Federal Express, said his records showed the state tax was and had been included in the fees that his company paid to its fuel suppliers.

Stark called back a week later to explain he had rechecked company records and billings and determined that the tax had not been paid since June 1982, when Federal Express switched fuel suppliers. He estimated that the unpaid tax amounted to between $4,400 and $5,500.

"We thought it was being paid," Stark said, "but it wasn't. It appears that there was some confusion." He said he was investigating the matter further.

Interviews with other airline companies and oil company officials indicated that even larger amounts of jet-fuel taxes may have gone uncollected.

Jack McDonald, a spokesman for the Exxon Corp., one of the airport's major suppliers, said his company did not pay the tax because it did not place the fuel in the aircraft. He said that under state law, the tax did not become due until the fuel is actually placed in the aircraft.

POLICY NOT UNUSUAL

(Exxon's policy on the state jet-fuel tax is not unusual. A spokeswoman for Texaco, also a major supplier at Philadelphia International, said that firm also did not generally collect the aviation tax, because the firm did not actually place the fuel in the aircraft tanks.)

Exxon, state audit records show, is one of the major suppliers for Summit Airlines, which, according to those same audit reports, received 1.6 million gallons of aviation fuel at the airport between July 1, 1979, and June 30, 1980.

Thomas Webb, manager of fuel administration for Summit, said the airline did not pay the tax directly, but he assumed that it was passed through in the price that Summit was charged by its suppliers. "We don't make any specific arrangements," Webb said, "but the taxes generally get passed through to us."

He said he could not recall whether billings from Exxon, the company's chief fuel supplier, or from Allied, which places the fuel in the airplanes, included the state tax.

Officials of Allied, which pumps fuel for Summit and most of the airlines at Philadelphia International, have told state officials that they did not pay the tax because they believe they were not liable for it.

REFUSES COMMENT

Dennis Byrne, a spokesman for Allied, said the company would not comment on issues dealing with the fuel tax.

In fact, since neither Allied nor Summit holds a state fuel-dealer users license, neither company could make the tax payments even if it wanted to. A company must have a license and an assigned license number before the state would accept any tax payments.

Allied is not the only aviation fuel service company that, until recently at least, was not required to collect and remit aviation-fuel taxes.

Frank Eyster, an attorney for Atlantic Aviation Services, based in Wilmington, Del., said in a recent interview that the now-disputed state policy on who is responsible for collecting jet-fuel taxes dated back to 1974, when a Revenue Department official issued a letter offically relieving his firm of the responsibility for collecting the tax.

Eyster said the issue surfaced for the first time in 1974 because it was in that year that the fuel storage and delivery system at Philadelphia International was changed. Up until that time, the major oil companies had controlled the storage and actual delivery of jet fuel at the airport and had assumed the responsibility of collecting the tax.

But in 1974, new fuel facilities were constructed on Hog Island, which were connected by pipelines to the airport. Since they no longer delivered fuel directly to the aircraft, most major oil companies stopped collecting the taxes.

Eyster said he met with state tax officials in 1974 when they were considering requiring that companies such as his collect the tax. He said he was able to convince the state that service companies, like Atlantic, were not responsible for collecting the tax, because they never actually assumed ownership of the fuel. (He said his company did, however, collect and remit the aviation-tax payments for aviation fuel it actually sold. Those direct sales, he said, were largely to small customers, not major airlines.)

"We were very concerned about it, because it would have caused us major cash-flow problems," Eyster said.

A letter confirming that agreement was sent to Atlantic by a state tax official on Nov. 11, 1974, Eyster said.

That administrative decision opened up the gap that had existed for the past 10 years, allowing millions of gallons of jet fuel to be sold every week with tax bills going to no one.

As for future tax collections, Revenue Department sources said a letter had been sent to Allied informing the company that it now must be licensed and collect and remit the taxes. The sources said there had not yet been any response from Allied.

Eyster, the Atlantic official, said he had not been informed of any change in the state policy. A spokesman for Aircraft Services International, which recently took over fuel operations at the Pittsburgh airport, said he also was unaware of any change in state policy.

Caption:
PHOTO

Record Number: 8301230894

Article Bookmark(OpenURL Compliant):PENNA. LOSING MILLIONS IN AVIATION-FUEL TAXES (Philadelphia Inquirer, The (PA), May 9, 1983)
http://docs.newsbank.com/openurl?ctx_ver=z39.88-2004&rft_id=info:sid/iw.newsbank.com:NewsBank:PHIB
&rft_val_format=info:ofi/fmt:kev:mtx:ctx&rft_dat=0EB29569B5E6754C&svc_dat=InfoWeb:aggregated2&req_dat=0F156B08E1823F31

BCC ITEM 7(G)(2)(A)
April 27, 2004

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

RESOLUTION DIRECTING THE COUNTY MANAGER TO CONDUCT A COMPREHENSIVE STUDY ON THE EFFECTS OF UNPRECEDENTED POPULATION AND HOUSING GROWTH ON THE URBAN DEVELOPMENT BOUNDARY IN SOUTH AND SOUTHWEST MIAMI-DADE COUNTY AND THE IMPACTS OF INFILL DEVELOPMENT ON THE PROCESS OF GENTRIFICATION AND DISPLACEMENT OF CURRENT RESIDENTS WITH LIMITED MEANS, WITH THE PURPOSE OF DEVELOPING POTENTIAL AMENDMENTS TO THE COMPREHENSIVE DEVELOPMENT MASTER PLAN, AND FURTHER DIRECTING THE COUNTY MANAGER TO ALLOCATE APPROPRIATE RESOURCES FOR CONDUCTING THE STUDY

Commissioner Dennis C. Moss

I. SUMMARY

This resolution would mandate that the County Manager prepare a study on the tremendous population and housing growth in the South and Southwest portions of Miami-Dade County.

II. PRESENT SITUATION

The Department of Planning & Zoning (DP & Z) is currently working on two studies, one of which is a joint study with the South Florida Regional Planning Council (SFRPC) and the South Florida Water Management District (SFWMD), and this **may** impact the current location of the Urban Development Boundary (UDB). The Agriculture and Rural Area study conducted by DP & Z will include an analysis of the long-term economic outlook for the Miami-Dade County agriculture industry. The above described joint study is intended to develop an integrated land use and water management strategy for southeastern Miami-Dade County. In addition to the previous study, a need was identified to study the impact of tremendous population and housing growth in the South and Southwest portions of Miami-Dade County.

III. POLICY CHANGE AND IMPLICATION

This item would require the County Manager to conduct a separate study which includes:

- Analyzing the effects of unprecedented growth on the Urban Development Boundary;
- Identifying and assessing the impact of infill development on gentrification and displacement of current residents with limited means;
- Proposing a CDMP policy amendment that includes housing policies that affect all residents, and changes to existing land use designations.

III. ECONOMIC IMPACT

The economic impact associated with this item could entail the hiring of consultants to conduct the study, and other administrative costs.

IV. COMMENTS AND QUESTIONS

A movement entitled the The *Hometown Democracy Initiative Referendum*, co-founded by attorneys Lesley Blackner and Ross Burnaman, could impact the way that many planning and zoning decisions are made.[1] Should this initiative successfully make it on the ballot, and subsequently be passed by voters, it would give the voting public, instead of governmental entities, the power to make changes in comprehensive planning and zoning decisions.

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[1] http://www.floridahometowndemocracy.com/

BCC Item 7(J)(1)(A)
April 27, 2004

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

RESOLUTION AUTHORIZING THE WAIVER OF FORMAL BID PROCEDURES AND PROVISIONS OF ADMINISTRATIVE ORDER 3-38 AUTHORIZING NEGOTIATION OF CONTRACT TR04-SOS WITH THE WACKENHUT CORPORATION

Miami-Dade Transit Agency

I. SUMMARY

This Item proposes waiving the bid procedures and authorizing the award of the security services contract to Wackenhut Corp.

The contract would be for 5 years.

The dollar amount is to be negotiated.

II. PRESENT SITUATION

Currently, Wackenhut has the security contract for Miami Dade Transit. The contract is set to expire in November 04.

The current contract was a no bid contract that was awarded for substantially the same reasons as before you today. (Only Wackenhut qualifies under the bid requirements). That item was vetoed by the Mayor for the lack of a competitive process. The Mayor Stated in his veto, that even if the company was the best and only firm then we should let the process work its way out so that the public perception would not be that we were awarding a $40 million dollar contract without a bid. The BCC over rode the Mayor at its next meeting and the contract was awarded.

Recently the Board approved a $14.8 million dollar change order that was caused by additional security needs associated with enhancements to the PTP and 9/11 required additional security. The total value of the last contract was $57.8 Million.

Through recent manedments to the PTP, Board has reduced some of the anticipated enhancements, including 24 hour Metrorail and the amount of buses projected to be in place. This <u>may</u> allow for the contract to be reevaluated in terms of the need to build the extra money into the next contract.

Staff reports that only Wackenhut can satisfy the requirements for providing large scale armed private security. This was verified through surveys and questioners by staff. Staff also stated that new security requirements make this even more important. **It should be noted that many of the larger Transit agencies utilize**

Police officers which could reduce the amount of armed security guards required. In fact the original "Transit not Tolls plan envisioned a larger police role which would have increased police on the transit system and reduced the need for such a large private security contract. That plan however was based on a full penny and not the half that was approved by voters.

It should also be noted that during this contract there have been violent incidents against the security guards themselves, in one case a guard had his gun stolen and was shot.

III. POLICY CHANGE AND IMPLICATION

This would keep with the Boards previous policy in overriding the Mayor's veto and awarding the contract to the only viable bidder (Wackenhut).

IV. ECONOMIC IMPACT

The exact dollar amount per this item is to be negotiated, but the last contract was for $40+ million with a $14.8 million dollar **Change Order**.
It is expected according to staff to only require the **PTP to pay 13-16%** depending on how the breakdown of cost is allocated.

In the future this contract will require more money as new service is added. This will not occur during the life of the 5 year contract as no service enhancements of that magnitude will be completed by then.

V. COMMENTS AND QUESTIONS

Is the Mayor's original theme of his veto valid?

Would public perception be better if we went through the motions and made Wackenhut bid for the contract, or is it more efficient and practical to award the contract through negations with the Manager with the only firm we believe qualifies?

BCC Agenda ITEM 7(K)(1)(A)
April 27, 2004

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

RESOLUTION RECOMMENDING THAT CONFIDENTIAL PROJECT NO. 04-00171 BE APPROVED AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO FLORIDA STATUTES S-288.106, CONFIRMING THAT THE COMMITMENTS OF LOCAL FINANCIAL SUPPORT NECESSARY FOR CONFIDENTIAL PROJECT NO. 04-00171 EXIST; AND PROVIDING AN APPROPRIATION OF UP TO $60,000 FROM GENERAL REVENUE FUNDS AS LOCAL PARTICIPATION IN THE STATE OF FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM FOR FISCAL YEARS 2005, 2006, 2007, 2008, 2009 AND 2010 OR OVER A TIME PERIOD AS DETERMINED BY THE STATE OF FLORIDA IN ITS APPROVAL OF THE APPLICATION OF CONFIDENTIAL PROJECT 04-00171 APPLICATION WITH THE PROVISO THAT ANY TAX ABATEMENT GRANTED TO CONFIDENTIAL PROJECT NO. 04-00171 UNDER FLORIDA STATUTE 196.1995 REDUCES ANY QUALIFIED TARGET INDUSTRY TAX REFUND TO CONFIDENTIAL PROJECT NO. 04-00171 BY THE AMOUNT OF ANY SUCH TAX ABATEMENT GRANTED, IN COMPLIANCE WITH FLORIDA STATUTE 288.106(5)9(C); AND PROVIDING FOR AN EFFECTIVE DATE

Office of Community and Economic Development

I. SUMMARY

The Office of Community and Economic Development recommends that the BCC approve the attached Qualified Target Industry (QTI) tax refund applications and agreements.

II. PRESENT SITUATION

The Qualified Target Industry (QTI) tax refund program is pursuant to Florida Statutes Section 288.106. The program's intent is to attract relocating out-of-area businesses and encourage expansion of existing local companies by providing a tax refund.

III. POLICY CHANGE AND IMPLICATION

None

ECONOMIC IMPACT

Item	Project Name	New Jobs	New Capital Investment	QTI REFUND			Miami-Dade New Incremental Tax Revenue Generated	County QTI Match	Net Revenue Benefit to Miami-Dade (per Beacon)	Total ROII (per Beacon)
				TOTAL	STATE 80%	COUNTY 20%				
4F	Confidential #04-00171	50	$1,500,000	$300,000	$240,000	$60,000	$71,566	$60,000	$11,556	1.19

ROII – Return on Incentive Investment equals Miami-Dade New Tax Revenue Generated divided by the County's match.

The funding for the Miami-Dade County portion of the QTI shall come from the County's General Fund.

IV. COMMENTS AND QUESTIONS

None

BCC ITEM 7(K)(1)(B)
April 27, 2004

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

RESOLUTION AUTHORIZING THE CONVEYANCE OF LAND TO THE MIAMI-DADE EMPOWERMENT TRUST, INC. FOR THE DEVELOPMENT AND SALE OF TWENTY-ONE (21) AFFORDABLE HOUSING UNITS IN ACCORDANCE WITH FLORIDA STATUTE 125.38; AUTHORIZING THE COUNTY MANAGER TO EXECUTE ALL CONTRACTS, AGREEMENTS AND AMENDMENTS NECESSARY TO CARRY OUT THE ABOVE PROGRAMS; AND AUTHORIZING THE COUNTY MANAGER TO EXERCISE THE CANCELLATION PROVISIONS CONTAINED THEREIN

Office of Community and Economic Development

I. SUMMARY

The Office of Community and Economic Development (OCED) is seeking the authority to transfer the Sandy Pines Project to the Miami-Dade Empowerment Trust, Inc. (Trust). Upon the successful conveyance of the above described project, the Trust intends to create a Limited Liability Corporation (LLC) and enter into a public/private partnership with Green Devco, Inc., whose principal owners are Nilda L. Green and Thomas R. Green, for the purpose of completing the remaining 21 affordable single-family homes. The construction of these units is expected to be completed within 12 months.

II. PRESENT SITUATION

This project, which is located at SW 256th Street and SW 127th Avenue in Unincorporated Miami-Dade County, was originally a project of Tacolcy Economic Development Corporation (TEDC) and New Vista Development Corporation (NVDC). The Sandy Pines Project was initially intended to include the construction and sale of 26 single-family homes to low-to-moderate income families. That number was later reduced to 25 single-family homes. As of July 1999, the following progress has been made with the 25 Single-Family homes:

- **4** units have been completed and sold by SPJV
- **2** units have been built, but lack Certificates of Occupancy
- **8** units are partially built
- **11** units have not been constructed

OCED allocated an aggregate amount of $1 million in HOME funds for this project, an additional construction loan in the amount of $1 million, of which $455,000 was provided as a grant. This project subsequently resulted in a lengthy series of events from 1995 to present, as described in the memorandum portion and Attachment A of the item. At one point, the County allowed subordination of their interest, to allow SPJV to receive bank financing from City National Bank. This project was subsequently foreclosed on by City National Bank in 2001. OCED purchased the above described property, with BCC approval, during the above described foreclosure sale, for $214,367.87. Staff indicates that the amount paid in foreclosure was the market value of the property at the time.

III. POLICY CHANGE AND IMPLICATION

This resolution will permit the transfer of land from OCED to the Trust. A Limited Liability Corporation, entitled South Dade EZ Ventures LLC, will be created for the purpose of enabling a joint venture with Green Devco, Inc., a private for-profit entity in a joint effort to complete the Sandy Pines project. According to staff, Green Devco will be assuming the construction costs and OCED will absorb the administrative costs.

Staff also indicates that this project is consistent with the Trust's mission, which is to eliminate slum and blight, to create affordable housing and to increase the economic stability of neighborhoods.

IV. ECONOMIC IMPACT

The original participants in this venture, New Vista Development Corporation and Tacolcy Economic Development Corporation, received HOME funds in the aggregate amount of $1 million in 1995 and 1996. Additionally, TEDC received a construction loan of $1 million, of which $450,000 was provided as a grant. This project was later purchased by OCED from City National Bank during foreclosure proceedings in the amount of $214,367.87.

Additionally, the approval of this resolution will result in a projected construction budget of $1,258,133.00 and an additional allocation of $500,000 in HOME funds for the purpose of mortgage assistance and administrative assistance.

V. COMMENTS AND QUESTIONS

Question

What are the total overall costs to the County, since the inception of this project, including debts, liabilities and settlements, if any, associated with this item?

BCC ITEM 7(K)(1)(C)
April 21, 2004

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

RESOLUTION APPROVING FORM OF INTERLOCAL AGREEMENT AMONG THE CITY OF MIAMI, MIAMI-DADE COUNTY AND MIDTOWN MIAMI COMMUNITY DEVELOPMENT DISTRICT FOR THE MIDTOWN MIAMI PROJECT; AND AUTHORIZING COUNTY MANAGER TO EXECUTE AND DELIVER INTERLOCAL AGREEMENT

Office of Community and Economic Development

I. SUMMARY

In December the BCC approved the Creation of the Midtown Miami Community Development District (CDD) for the Midtown Miami Project. The BCC also approved a Section 108 loan to the CDD to help fund the Development. This resolution approves the Interlocal Agreement between the City, County, and the CDD.

II. PRESENT SITUATION

The BCC has approved the creation of the CDD and a Section 108 Loan to the CDD. In December when the CDD was created, language was inserted that suggested the Developer would ask that the County and City share revenues with the CDD to pay for the Bond Debt.

III. POLICY CHANGE AND IMPLICATION

CDD have no fiscal impact on the County. However in this case the County would be responsible for a portion of the Debt Service. The CDD is looking for either the County or City to pay Debt Service or to have a Community Redevelopment Agency (CRA) which would use Tax Increment Financing to pay for the Debt.

IV. ECONOMIC IMPACT

Incremental revenues to the County from ad Valorem taxes on the development components are projected to increase from the first year (2008) estimate of $2,165,000 to over $14,000,000 million in year 2037. It is projected that the County's 40% share of the Debt Service is approximately $2,400,000 per year.

If a CRA is established for Midtown Miami, the County would not be responsible for the Debt Service Payment but will also not have the Incremental Tax Revenues listed above as it will go to the CRA, with any surplus distributed back to the City and County.

V. COMMENTS AND QUESTIONS

Does the BCC want to set the precedence of paying for CDD Debt?

What happens if the City does not sign the Interlocal Agreement?

BCC ITEM 7(O)(1)(B) and 7(O)(1)(C)
April 27, 2004

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

7(O)(1)(B)
RESOLUTION AUTHORIZING REQUEST TO ADVERTISE FOR BIDS FOR TEMPORARY TECHNICAL PERSONNEL SERVICES AND TO EXECUTE OPTIONS TO RENEW ESTABLISHED THEREUNDER

7(O)(1)(C)
RESOLUTION AUTHORIZING REQUEST TO ADVERTISE FOR BIDS FOR TEMPORARY TECHNICAL PERSONNEL SERVICES AND TO EXECUTE OPTIONS TO RENEW ESTABLISHED THEREUNDER [SEE ORIGINAL ITEM UNDER FILE NO. 040619

Procurement Management Department

I. SUMMARY

7(O)(1)(B) – Sec. 5.1
Request to advertise for bids for replacement contract for Temporary Technical Personnel. Cost estimate is $17,629,933.49. Contract term is for two years with three one-year options to renew.

7(O)(1)(C)
Requests that the Board of County Commissioners approve a modification to the County Temporary Technical Personnel services for additional spending authority and time on a month to month basis. This contract serves over 36 County departments.

II. PRESENT SITUATION

Currently, the budgeted existing allocations are not sufficient. The user departments are requesting additional allocations to continue providing the services.

III. POLICY CHANGE AND IMPLICATION

The total monthly amount requested is $831,319.48 with the current vendors Tri-State Employment, Careerxchange, Inc., Deanna Enterprises d/b/a A1A Employment of Miami and Weststaff (USA), Inc.

IV. ECONOMIC IMPACT

This approves an increase of $831,319.48 per month, for a contract total of $21,471,438.32.[1] This item also approves a month-by-month extension that could potentially increase the contract value an additional $5,819,236.36 (assuming a new contract is not effective by December 2004).

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[1] The original allocation approved was $20,738,993, commencing July 1, 1999 for a two year period with two one-year options to renew.

This item approves additional contract capacity, not the specific allocations given for each department. Thus, if a certain department needs more funds, it may be transferred from the allocation from another department.

V. COMMENTS AND QUESTIONS

The current item in its current form (with additional information and analysis) was not presented at committee. The item has been reviewed and deferred at different committees and at BCC since Jan. 2004.

The modification is being requested for the continuing operation of County departments pending the award of the replacement contract.

This request is necessary for additional spending authority and an extension on a month to month basis to allow for a replacement contract to be in place. Because a replacement contract may not be awarded until Oct. 2004 and four to six weeks after award is required for the actual implementation, the contract could potentially need to be extended for 7 months.

Throughout the budget process, temporary positions are being reviewed and are being converted to permanent in some cases where the position has been filled for an extended period of time and there is not much of a monetary difference in the conversion.

BCC ITEM 7(P)(1)(C)
April 27, 2004

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

RESOLUTION APPROVING THE AMENDMENT TO THE NEIGHBORHOOD IMPROVEMENTS SECTION OF THE PEOPLE'S TRANSPORTATION PLAN (PTP) TO INCLUDE ROADWAY SIGNAGE, ROADWAY LIGHTING, PAVEMENT MARKINGS, AND TRAFFIC CALMING

Public Works Department

I. SUMMARY

This resolution seeks to amend the Peoples' Transportation Plan (PTP) Neighborhood Improvements section to include:

- Roadway Signage
- Roadway Lighting
- Pavement Markings
- Traffic Calming

The Public Works Department (Department) contends that these elements should have been contained within the PTP and should be eligible for funding through the Charter County Transportation Surtax (1/2 cent).

II. PRESENT SITUATION

These elements are not currently listed under the Neighborhood Improvements Section of the PTP.

III. POLICY CHANGE AND IMPLICATION

This amendment would specify that these types of projects, when associated with Neighborhood Improvements contained in the PTP, are eligible for Surtax funds.

IV. ECONOMIC IMPACT

The Manager's Memorandum associated with this item contends that there is no fiscal impact resulting from this amendment..

If County increases the elements within larger projects that are eligible for Surtax funding, this would mean that there would be less money available for the projects originally listed in the PTP.

V. COMMENTS AND QUESTIONS

Among the projects listed by the Department to be included within the PTP, and thus eligible for Surtax Funding, is the $3.5 million "Street Light Retrofit" program.

BCC ITEM 7(P)(1)(C)
April 27, 2004

This program was begun prior to the passage of the Surtax.

Wouldn't funding for a program begun prior to the passage of the Surtax be considered maintenance of effort?

The Board has been informed recently that the initial projections regarding Surtax Revenues may have been too high.

The County, through the Board, the County Manager's Office, and the CITT, must pay special attention to roadway projects in the future, to insure that the projects requested to be funded through the Surtax are not projects that would have been funded from existing resources, had the Surtax not passed.

Although these types of projects are needed and may be able to be completed quickly, inclusion of projects not originally contained (or detailed) in the PTP may jeopardize funding for future projects.

BCC ITEM 7R3A
April 27, 2004

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

CONTRACT AWARD FOR ASR ULTRAVIOLET DISINFECTION SYSTEM LOCATED AT WEST WELL FIELD- 7200 SW 172ND AVENUE, SOUTHWEST WELL FIELD- 12350 SW 80TH STREET; CONTRACT NO. W-847; CONTRACTOR: UNITED ENGINEERING CORPORATION

Miami-Dade Water and Sewer Department

I. SUMMARY

Item represents an award for contract W-847 between United Engineering Corporation and Miami-Dade County for ASR Ultraviolet Disinfection System at the West and Southwest Well Fields.

II. PRESENT SITUATION

In order to comply with the water quality requirements of the Safe Drinking Water Act (Act), the department has to operate the Aquifer Storage and Recovery (ASR) system under restricted permit conditions. Operation of such requires Ultraviolet (UV) light disinfection system to ensure that the water to be injected meets water quality standards at all times.

III. POLICY CHANGE AND IMPLICATION

Project consists of constructing two raw water UV light disinfection systems for the Miami-Dade Water and Sewer Department's existing ASR wells, one system is for the West Well Field and the other is for the Southwest Well field.

Contract period is for 180 days.

IV. ECONOMIC IMPACT

Contract award $3,774.200. (The original cost estimate is $4,020.000.)

V. COMMENTS AND QUESTIONS

United Engineering is currently working on other contracts with the Miami-Dade Water and Sewer Department:

Contract #	Description
W-665B	John E. Preston Water Treatment Plant Softeners 7 and 8 disinfectant/disinfection by-products.
S-736A&B	24" Force Main in NW 107 Ave
S-750	North District Wastewater Treatment Plant Settling Tank No. 3, Storm Damage Repairs
S-740- 24	Force Main from Pump Station 416 to NW 177 St.

BCC ITEM 7R3A
April 27, 2004

This contract does not qualify for the Community Work Force Program because the review Committee met on October 30, 2002, and the effective date of the Ordinance was for projects that went to the Review Committee on or after May 5, 2003.

LEGISLATIVE ANALYSIS AND ECONOMIC IMPACT STATEMENT

SAFE LITE MONITORING SYSTEM PILOT PROGRAM; CONSULTANT REPORT ON THE OBSERVATIONS OF THE MONITORING SYSTEM FOR STREET LIGHT INSTALLATIONS

Public Works Department

I. SUMMARY

This resolution authorizes the Board of County Commissioners to accept the Safe Lite Monitoring System Pilot Program Report. This report illustrates Martin-Vilato and Associates review and evaluation on the monitoring system for street light installations.

II. PRESENT SITUATION

Public Works Department (PWD) along with Horsepower Electric, Inc., initiated a Pilot Program to evaluate the "Safe Lite Monitoring System." The system should improve the safety, and provide greater levels of protection to the public. A total of ten circuits of 385 street lights were tested.

Project began: September 9, 2002
Approximate completion date: March 9. 2004
Cost: $200,000.00

The monitoring system will allow a technician to monitor street light systems and detect a number of unsafe situations that may be hazardous to the general public. For example, the system has a unique capability to immediately shut the street light energy source off.

The Safe-Lite Monitoring System will monitor ground faults, grounding continuity Knock-down pole, door open warning, circuit overloads and weather emergencies.

This is an important step for the County to prevent further electrocution of innocent bystanders on Dade-County Streets. From 1998 through 2000 at least seven people were killed by convergence of dangerous conditions inside a light poles and failures of safety cutoff switches.

III. POLICY CHANGE AND IMPLICATION

Martin-Vilato concluded the following:

The demonstration was conducted live via CCTV cameras;

The system responded well under actual field conditions;

Many emergency situations were injected into the system to handle. According to the review, all the incidents were addressed by the Safe-Lite system.

IV. ECONOMIC IMPACT

Public Works Department will further monitor the system and make future recommendations. The financial short-term impact to the County is $200,000.00.

V. COMMENTS AND QUESTIONS

By time of printing, staff did not respond to the following questions:

Please indicate the funding source for the $200,000.00?

How will the system detect frayed wires or wires not installed correctly inside light poles? Signals are received on a continuous basis at the control center, damaged wiring or other life threatening situations are detected and the system is automatically turned off.

According to Martin-Vilato and Associates, "the system is so sensitive that problems that may go unnoticed for a long time with out the monitoring system will become immediately apparent before they actually become a serious problem."

OBSERVATIONS:

- The Vendor has obtained a patent on the monitor system as well as U.L. Listing of the monitoring panel.
- During the test year, the Vendor indicated that various internal components of the Monitor Panel were upgraded. The latest panel design that was shown to us, is of stainless steel construction and has a built-in photocell.
- Field components of the system include the monitoring wiring and pole knock down detection swiches to allow the system to operate at full capacity.
- The System is quite sensitive, so as part of the system installation at each service point, the Vendor shall conduct all necessary tests and perform all required adjustment.
- At present, the System detects cuts in the grounding wire.. The Vendor stated that the new panels will also detect cuts in the hot and neutral wires.
- The present panels establish communication with the Central Station via telephone modems, the Vendor States that he will be switching to radio communication to speed-up the Polling Time.
- Each System Panel is autonomous in detecting conditions that affect human safety and acts by itself accordingly by shutting down the power immediately, if necessary, without the need of a remote command from the Central Station.

CONCLUSION:

System operates in full accord with Vendor's claims stated in their proposal of January 24, 2002.

The System is so sensitive that problems that may go unnoticed for a long time w/o the Monitoring System will become immediately apparent before they actually become a serious problem.

System detects immediately damages to the lighting installation created by other Contractors working underground in the vicinity of the light poles.